

**2004 Supplemental  
M2-TL HIPAA Contingency**

**DSHS - Medical Assistance Administration  
2004 - M2 TL HIPAA Contingency  
IAPDU-4 October, 2003**

Funding Matrix for  
and Testing Plans

Description of Activity		Funding for releases scheduled for Oct 2003 and Jan 2004	FFP rate	Expenditure Category	annualized FTE Impact	Duration of time for each release of HIPAA compliant MMIS System changes	Activity Trigger Required for Enhanced Match
<b>Contingency Plan:</b>							
Claims Processing	Incremental staff hired for anticipated incremental workload in CP for HIPAA Implementation Testing	\$168,000	75%	Personnel (state staff)	4	Up to 3 months after each release	Temp staff hiring and training in process during Aug-Oct 2003. Plan to retain temps until claims backlog can be maintained below 150,000
Claims Processing	Training - New FTEs	\$84,000	90%	Personnel (state staff)	2	Up to 3 months	Approved Hiring
Claims Processing	Incremental cost to scan paper claims (piece rate is \$.1139ea)	\$341,700	75%	Contracts	n/a	Up to 3 months after each release	Monthly paper claim volume between 575,000 and 1,125,000
Customer Service Center	Outsourced Support for HIPAA knowledge transfer to Providers	\$600,000	90%	Contracts	n/a	Up to 3 months after each release	Call wait times in excess of Administration goals
Claims Processing	Incremental cost to scan paper claims (piece rate is \$.1139ea)	\$341,700	75%	Contracts	n/a	Up to 3 months after each release	Monthly paper claim exceeds 1,125,000 (cost assumes max avg volume of 1,625,000)
Claims Processing	Overtime - up to 20% CP staff	\$806,400	75%	Personnel (state staff)	n/a	Up to 3 months after each release	If any of four parameters were exceeded for 5 days: a. Backlog of Total Claims (excluding POS) of 250K b. Over 50K claims in suspense c. Input of paper claims exceeding 25K per day d. Age of hard copy claims on shelves > 30 days.
Claims Processing	Staff for swing shift	\$576,000	75%	Personnel (state staff)	12	Up to 3 months after each release	If after 2 weeks of 20% OT, any of four parameters for OT for OT continued to exceeded levels defined above
Claims Processing	Training new staff	\$288,000	90%	Personnel (state staff)	12	Up to 3 months after each release	Implementation of Swing Shift
Claims Processing	MMIS cost for swing shift	\$60,000	75%	Contracts	n/a	Up to 3 months after each release	If after 2 weeks of 20% OT, any of four parameters for OT for OT continued to exceeded levels defined above
Customer Service Center	Cost to operate MEVS and DDE	\$1,200,000	75%	Contracts	n/a	Up to 3 months after each release	HIPAA Compliant version of transactions 270 and 271 are not available on 10/16/03
HIPAA Project	Coding for automated adjustment payments	\$28,000	90%	Contracts	n/a	one-time cost	CMS approval of contract amendment
<b>TOTAL</b>		<b>\$4,493,800</b>			<b>30</b>		

<b>Provider and MAA User Acceptance Testing Plan:</b>							
HIPAA Project	Contract Personnel for Project Mgmt and Testing Coordinator	\$400,400	90%	Contracts	n/a	extend resources through June 2004	CMS approval of contract amendment
Business Unit Staff or temps	Direct Call Campaign to Providers to discuss HIPAA transaction processes and encourage testing.	\$80,000	90%	Personnel (state staff)	2	approx 60 days	MAA approval of plan for direct call campaign
Business Unit Staff or temps	Provider Testing Support	\$96,000	90%	Personnel (state staff)	2	approx 120 days; may extend thru dual support	Staffing level will fluctuate with volume of providers estimated average is 6 FTE
HIPAA Project	ACS call center for Provider Testing	\$78,000	90%	Contracts	n/a	specifics to be defined in contract amendment	CMS approval of contract amendment
<b>TOTAL</b>		<b>\$654,400</b>			<b>4</b>		

All figures are estimates of maximum potential costs; only actual costs will be claimed (up to the amounts identified) using allocation methods previously approved or defined in this APDU

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